

**HOWARD COUNTY POLICE AND FIRE EMPLOYEES' RETIREMENT PLAN
HOWARD COUNTY RETIREMENT PLAN**

JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES

February 28, 2019

A joint meeting of the Retirement Plan Committees for the Howard County Police and Fire Employees' Retirement Plan (the "Police and Fire Plan") and the Howard County Retirement Plan (the "Employees Plan") (jointly, the "Plans") was held on Thursday, February 28, 2019 at 9:00 a.m. in the Columbia/Ellicott City Room of the George Howard Building, 3430 Court House Drive, Ellicott City, Maryland 21043.

Police and Fire Plan:

Members Present:

Human Resources Administrator: Wanda Hutchinson
Chief Administrative Officer: Lonnie Robbins
Director of Finance: Janet Irvin
Representative, Police Department Supervisory Employees:
 Jason Luckenbaugh
Representative, Fire and Rescue Supervisory Employees:
 Vincent Baker
Representative, Howard County Police Officers' Association, Lodge 21:
 Craig Hoover
Representative, International Association of Firefighters, Local 2000:
 Richard Ruehl

Members Absent

Budget Director: Holly Sun

Employees Plan:

Members Present:

Human Resources Administrator: Wanda Hutchinson
Chief Administrative Officer: Lonnie Robbins
Deputy Director of Finance: Angie Price
Budget Director Designee: Janssen Evelyn
Employee Representative: Jeff Bronow

Representative, American Federation of State, County and
Municipal Employees Local 3080: Kim Drennon
Representative, American Federation of State, County and Municipal
Employees Local 3085: Dale R. Chase

Members Absent

None

Also present for all or a portion of the meeting were:

Steve Peters, County Auditor's Office
Lori Buchman, Department of Finance
Sima Taghavi, Department of Finance
Trevor Jackson and Chris Brokaw of AndCo Consulting
Paul W. Madden, Whiteford, Taylor & Preston L.L.P.
Teresa M. Reider, Retirement Coordinator
Scott Southern, Retirement Assistant
Jamar Herry, Office of Law
Jonathan Miller - Department of Finance
Ken Barnes - Pension Oversight Commission

Wanda Hutchinson acted as Chair of the meeting and Paul Madden acted as Secretary.

The minutes of the January 31, 2019 meeting were unanimously approved by the members of both Committees.

Wanda Hutchinson noted that the Pension Oversight Commission disseminated some inaccurate information concerning the Plans on February 25. Wanda reported that the erroneous information has since been corrected.

Sima Taghavi presented the Statement of Revenues and Expenses Budget vs. Actual for the Howard County Retirement Plan (unaudited) as of December 31, 2018, the Statement of Fiduciary Net Position as of December 31, 2018 and June 30, 2018 (unaudited) and the Statements of Changes and Fiduciary Net Position for the periods ended December 31, 2018 and June 30, 2018 (unaudited) for the Employees Plan. Under operating revenues, Sima noted that there was a significant downward change in the fair value of assets as of December 31, 2018 due to significant investment losses. Employer contributions and member contributions were on-target. With regard to operating expenses, Sima noted that the attorney fees were higher than budgeted (98% of budget) because of the number of private equity investments closed during the

period from July 1, 2018 through December 31, 2018. The actuarial expenses were also higher than the amount budgeted during this period.

Sima Taghavi presented the Statement of Revenues and Expenses Budget vs. Actual for the Howard County Police and Fire Employees' Retirement Plan (unaudited) as of December 31, 2018, the Statement of Fiduciary Net Position as of December 31, 2018 and June 30, 2018 (unaudited) and the Statements of Changes and Fiduciary Net Position for the periods ended December 31, 2018 and June 30, 2018 (unaudited) for the Police and Fire Plan. As with the Employees Plan, employer contributions and member contributions were on-target and investment income was substantially below budget during the six-month period. With regard to administrative expenses, attorney fees were significant reflecting a number of private equity transactions during the six months as of December 31, 2018.

Next, Trevor Jackson and Chris Brokaw presented the Investment Performance Review of AndCo Consulting ("AndCo") for the period ending December 31, 2018. Trevor noted that concerns about slowing global economic growth, U.S.-China trade concerns, ongoing Brexit negotiations, and potential U.S. political gridlock negatively impacted the equity markets.

The winners for the trailing 12 months were private equity (up 18.4%), real estate (up 8.4%). International stocks and emerging markets were both down. The total fund was down -5.46% for the quarter placing it in the 18th percentile of public funds. Year-to-date performance was -1.38% ranking in the 13th percentile among peers.

Trevor noted that the risk return profile for the fund for the trailing three years is strong with better than median return with lower than median risk.

One of the strongest performers relative to peers was Mondrian which returned -9.77% as compared with the MSCI EAFE Index which returned -12.54%. This three-month return placed Mondrian in the 4th percentile among peer funds.

Trevor also noted that the 2019 returns are strong so far.

Next, Brian Morandi and Rob Moriarty provided the performance report for Invesco. The Howard County Master Trust participates in the U.S enhanced 1% risk fund. The purpose of this fund is to provide a 1% tracking error relative to the S&P 500 benchmark. This Invesco fund has provided a return of +6.65% (gross of fees) since inception as compared with the +6.16% return of the S&P 500. Trevor Jackson reported that Invesco is performing as intended.

Next, Camille Fesche of Rifkin Weiner Livingston LLC, and Hannah Ross and John Rizio-Hamilton of Bernstein Litowitz Berger & Grossmann ("BLB&G") gave a

presentation to the Committees concerning the capabilities of BLB&G to provide for securities litigation monitoring services for the Howard County Master Trust. BLB&G has been in business for 35 years and has offices in New York, San Diego, Chicago and New Orleans. The firm's sole focus is securities litigation. Ms. Ross explained the services that BLB&G can provide for the Howard County Master Trust, including their ability to assist with foreign securities litigation. After completing their presentation, Ms. Ross, Ms. Fesche and Mr. Rizio-Hamilton left the meeting.

Following the presentation, the Committee discussed its progress in arranging for securities litigation monitoring by Robbins Geller Rudman and Dowd. The Committee did not take any action with respect to the BLB&G proposal.

There being no further business, the meeting adjourned.

Respectfully submitted,

Paul Madden

Paul W. Madden
Secretary of the Meeting

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